Office of River Protection

CONTRACT MANAGEMENT PLAN

TANK FARMS OPERATIONS

CONTRACT NO. DE-AC27-99RL14047

CH2M HILL Hanford Group, Inc.

May 12, 2003
Richland, Washington

DOE/ORP-2001-03 (Rev 3)

TANK FARM OPERATIONS CONTRACT

CONTRACT MANAGEMENT PLAN

(Original Signed By Leif Erickson for)

Roy J. Schepens, Manager
Office of River Protection

Date

Rev. 3 Changes From Rev. 2:

- Added John Swailes as primary Contracting Officer Representative.
- Updated Appendix A to reflect organizational changes.
- Updated Appendix B to reflect current CHG Contract Clauses, and organization changes.
- Added Appendix C, *Provisional Payment of Fee Methodology/Criteria*, Table.
- Text changes, including corrections to reflect current organizational changes and revised Statement of Work.
- Removed reference to Hanford Site Services Manual to reflect current CHG Contract (through Modification A075).
- Under the *Project Management Tools* section of this plan, changed reference from Appendix C to Appendix A.
- Updated Contract Summary & Principle Features by adding CHG Key Personnel.

The Tank Farm Operations Contract Management Plan is approved as an interim measure to revise this Plan consistent with the current Contract, new contract incentive structure, and the initial phase of contract streamlining. A revised Plan will be developed based on the results of the second phase of contract streamlining.

Introduction

The U.S. Department of Energy (DOE), in accordance with the Strom Thurmond National Defense Authorization Act for Fiscal Year (FY) 1999, established the Office of River Protection (ORP) to successfully execute and manage the River Protection Project (RPP), formerly known as the Tank Waste Remediation System. The mission of the RPP is to store, retrieve, treat, and dispose of the radioactive and chemically hazardous Hanford Site tank waste and close the tank farms.

An important part of completing this mission was the January 17, 2001, extension of Contract No. DE-AC27-99RL14047 with CH2M HILL Hanford Group, Inc. (CHG). The scope of this Contract encompasses tank farms operations; including storing, retrieving, and disposing of the highly radioactive Hanford Site tank waste and closing the tanks. This Contract is the focus of this Contract Management Plan (CMP).

The other important milestone in completing this mission was the December 11, 2000, award of Contract No. DE-AC27-01RV14136 to Bechtel National, Inc., of San Francisco, CA, for the design, construction, and commissioning of the Hanford Tank Waste Treatment & Immobilization Plant. Through this Contract, ORP will manage and oversee the design, construction, and commissioning of a new Waste Treatment and Immobilization Plant (WTP) that will treat and immobilize the waste for ultimate disposal. The WTP is comprised of four major elements, pretreatment, low-activity waste (LAW) immobilization, high-level waste (HLW) immobilization, and balance of plant facilities.

Purpose of Plan

The purpose of this CMP is to provide guidance to DOE employees involved with the management and administration of the Tank Farms Operations Contract No. DE-AC27-99RL14047 (TFC). Such guidance should be a useful tool to help the DOE to ensure that CHG and itself, comply with all terms and conditions that govern Contract No. DE-AC27-99RL14047. This CMP has been created with the following guiding principles:

(1) Shall be a useful tool for administering the Contract;

(2) Shall be an executive summary of the roles and responsibilities of the contracting parties;

(3) Shall identify who is responsible for various contract administration activities;

(4) Shall be flexible and adapt to changing circumstances.

Successful management and administration of this Contract will require the coordinated efforts of a variety of DOE personnel. Some of these key personnel include: Contracting Officer's Representatives (CORs); the Contracting Officer (CO) and Contract Specialists; ORP Manager and Assistant Managers (AM); Chief Counsel; and ORP Office of Environmental Safety & Quality and personnel. This CMP will in many places delineate the roles and responsibilities of these team members and will provide for their interaction on key contract administration duties.

This CMP does not capture every action that the DOE or CHG will need to complete to make the Contract successful. To do so with a Contract of this complexity is neither feasible, nor practical. This CMP does set forth the higher level requirements, deliverables, and tasks necessary, and describes the overall process within which the tasks are performed.

Contract Summary & Principal Features

The CHG Contract is a Cost Reimbursable Contract with Performance Based Incentives (PBIs). The period of performance for the Contract is October 1, 1999, to FY 2006. The estimated cost of the Contract is the total Budget Authority (BA) provided to the Contractor from October 1, 1999, through September 30, 2000, ($404,392,374.76), plus the estimated new BA of $2,247,700,000 for the period October 1, 2000, through September 30, 2006 for an estimated total of $2,652,092,374.76. The Key Personnel for the CHG Contract are as follows:

Name	Title
E. S. Aromi	President and General Manager
D. B. Amerine	Executive Vice President and Deputy General Manager
D. I. Allen	Senior Vice President

CHG is responsible for planning, managing, and executing the TFC projects, operations, and other activities as described in more detail in the Contract at Section C, *Statement of Work*.

CHG is responsible for interfacing and coordinating with other Hanford Site prime Contractors in the performance of this work. CHG is to ensure that requirements for services provided to other Hanford Site Contractors and received from other site Contractors are integrated with other Hanford Site Contractors and provided for in the Contract Baseline.

The Contractor shall conduct business at the Hanford Site consistent with the following outcomes:

- Maintain Tank Farms waste and infrastructure in a safe environmentally compliant and stable configuration.
- Retrieve tank wastes to the extent needed for tank closure and deliver to the WTP contractor for treatment and immobilization.
- The immobilized low-activity waste (ILAW) fraction will be properly disposed either onsite or offsite.
- The immobilized high-level waste (IHLW) fraction will be interim stored until it can be shipped offsite for disposal (planned for the Yucca Mountain geologic repository).
- Efficiently and cost effectively close all Hanford Tank Farms.

Success in achieving these outcomes shall consider the following factors:

- Protection of worker safety and health, public safety and health, and the environment;
- Leadership and management effectiveness (Operations Management);
- Management responsiveness to customers (Customer Service);
- Responsive communications with external and internal Hanford customers; and

- Proficient partnering with other Hanford Site prime contractors.

Specific performance objectives, measures, and expectations are detailed in Section J, *List of Documents, Exhibits, and Other Attachments*, Appendix D, "Performance Based Incentives," and Section C (C.3).

The Contractor shall integrate safety and environmental awareness into all activities, including those of subcontractors at all levels consistent with Integrated Safety Management principles. Work must be accomplished in a manner that achieves high levels of quality, protects the environment, the safety and health of workers and the public, and complies with requirements. The Contractor shall identify hazards, manage risks, identify and implement good management practices, and make continued improvements in environment, safety, health, and quality performance.

The Contractor shall seek ways to streamline work processes by the use of necessary and sufficient standards and requirements. This includes requesting relief in the form of exemptions from requirements when appropriate, such as when the cost of the requirement will exceed its expected benefits.

The Contractor shall furnish, or cause to be furnished, all personnel, facilities, equipment, material, supplies, and services (except as may be expressly set forth in this contract as furnished by the Government), and otherwise do all things necessary for, or incident to, providing its best efforts so as to carry out in an efficient and effective manner all necessary work set forth in this Contract.

This Contract is intended to perform work necessary to reduce the potential risk to the public and the environment from the tank waste stored on the Hanford Site. It is also intended to meet the DOE legal obligations and commitments in carrying out this work. This Contract will be changed as required to assure that applicable legal obligations and commitments will be met.

Head of Contracting Activity and Authority

The Manager, ORP (by position not name), is the Head of the Contracting Activity (HCA). HCA authority limitations are set forth in a February 26, 2000, memorandum from the Acting Procurement Executive. A copy of this delegation memorandum is on file in the ORP Contract Management Division office.

CO and Authority

The principal ORP CO for Contract No. DE-AC27-99RL14047 is

U.S. Department of Energy
Office of River Protection
Judith S. O'Connor
Contracting Officer
Contract Management Division
P.O. Box 450, MSIN: H6-60

Richland, WA 99352

Tele: (509) 373-9373
Fax: (509) 372-2781
E-mail: Judith_S_O'Connor@rl.gov

Other warranted ORP CO's may execute actions in her absence consistent with this Plan.

The CO has authority to enter into, administer, or terminate Federal Contracts for goods and services. The CO must ensure that all requirements of law, executive orders, regulations, and all other applicable procedures, including clearances and approvals, have been met. The CO is also responsible for ensuring performance of all necessary actions for effective contracting, ensuring compliance with the terms of the Contract, and safeguarding the interests of the United States in its contractual relationships. The Federal Acquisition Regulation (FAR) allows the CO wide latitude to exercise business judgment. This duty includes the balanced objective of safeguarding the interests of the United States in its contractual relationships and ensuring that Contractors receive impartial, fair, and equitable treatment.

COR Authority

The CORs will be designated by separate letter and will represent the CO in the technical phases of the work. The COR are not authorized to change any of the terms and conditions of this Contract. The CORs generally will be at the Deputy Manager and Assistant Manager level of the ORP organization, and other speciality CORs with specific targeted limitations (e.g. Office of Chief Counsel authority for the Litigation Management Plan). The CO, through properly written modification(s) to the Contract, is the only person authorized to make changes to the work scope.

The primary COR for Contract No. DE-AC27-99RL14047 is:

U.S. Department of Energy
Office of River Protection
John H. Swailes
Assistant Manager for Tank Farms
P.O. Box 450, MSIN: H6-60
Richland, WA 99352

Tele: (509) 376-0933
Fax: (509) 373-9140
E-mail: John_H_Swailes@rl.gov

The CORs will have specific authorities related to technical guidance and inspection and the CO will prescribe these to him/her in writing. The CO will also notify the Contractors in writing of the specific authorities granted to the CORs. Representative tasks to be assigned to the CORs are as follows:

- Oversee and evaluating work in process,
- Inspection of completed work and preparation of recommendations to the CO regarding the acceptability of the product,
- Act as technical representative for contract administration,
- Review change proposals for need and technical adequacy as appropriate,
- Assist in evaluating and making recommendations for acceptance or rejection of nonconforming product,
- Provide oversight as required of Contractor's compliance with schedule and technical performance,
- Ensure that Government-furnished property is delivered to the Contractor and monitor the Contractor's use of the property,
- Report to the CO any inadequacies noted in the specifications and technical requirements,
- Review for quality and timeliness, the Contractor's submission of required Contract deliverables,
- Review Contractor claims for payment and make payment recommendations to the CO,
- Develop DOE's prompt responses to Contractor deliverables and provide recommendations to the CO,
- Review the Contractor's monthly status reports and Critical Quarterly Analysis and report to the CO any schedule delays or progress problems,
- Monitor Contractor conducted testing procedures,
- and Ensure that DOE meets its compliance obligations.

ORP Organizations

Various ORP organizational elements have contract management responsibilities and ownership for actions under this CMP. Those organizations are documented under ORP Manual (M) 411.1-1, *Safety Management Functions, Responsibilities and Authorities Manual*.

Other Administration Parties: These organizations provide industrial relations and contract audit functions:

- The DOE Richland Operations Office Procurement Services Division provides industrial relations and labor management guidance and advice to the ORP CO.

- The Defense Contract Audit Agency under the authority, direction, and control of the Under Secretary of Defense (Comptroller), is responsible for performing contract audits for the DOE, and providing accounting and financial advisory services regarding contracts and subcontracts for ORP contract administration activities. These services are provided in connection with negotiation, administration, and settlement of contracts and subcontracts.

Contract Schedule Milestones

Principal Contract schedule milestones are found in Section C (C.3). As follows:

(1) Safe Tank Waste Storage

(i) General Description

Contractor shall provide an adequate, comprehensive, and reliable safety basis for the management and storage of waste managed by Contractor under the scope of this contract. This will be accomplished by developing, operating to and maintaining an integrated Authorization Basis (AB), and by resolving outstanding safety issues and unreviewed safety questions to ensure safe storage and retrieval of waste. Proposals to modify the AB shall be made as appropriate to provide a cost effective AB for safe and reliable waste retrieval, feed delivery, and immobilized product storage. Waste sampling and characterization will be performed as required to assure safe storage conditions. Waste monitoring, characterization, treatment, disposal and reporting will be performed as required to meet regulatory requirements. HLW within the waste acceptance criteria will be received into the double-shell tank (DST) system from Hanford Site facilities as required to support the Hanford Site cleanup mission.

The Contractor will also adequately perform operations and maintenance; effectively manage, plan, and utilize resources; and implement an approved life-cycle asset management system.

(ii) Tank Farm Upgrades

Contractor shall upgrade tank farms to support safe and reliable operation and tank waste retrieval, staging and delivery efforts. This includes performing waste transfer system upgrades necessary to provide a compliant system to support waste feed delivery to the WTP and will include completion of additional waste system upgrades contained in the Baseline. The Contractor will comply with all regulations; and improve infrastructure reliability, operability and maintainability (including upgrades to transfer systems, instrumentation and control systems, electrical distribution and ventilation systems).

(iii) Interim Stabilization

The Contractor shall remove pumpable liquids from the single-shell tanks (SSTs) and transfer to DSTs to reduce environmental risk. The criteria and milestones in the Interim Stabilization Consent Decree shall be met. Entry points into stabilized SSTs shall be capped or plugged as required such that waste and water will not re-enter the tank.

(iv) 242-A Evaporator

Contractor shall transition from Fluor Hanford and operate and maintain the 242-A Evaporator structures, operating systems and equipment, and monitoring systems in accordance with the 242-A current AB and applicable regulatory requirements. Contractor shall maintain security, radiological control, and access control to ensure personnel safety.

(2) Waste Retrieval

(i) General Description

Contractor shall in an environmentally sound, safe, secure, and cost-effective manner:

- Retrieve wastes from SSTs, DSTs, and designated miscellaneous underground storage tanks (MUSTs); and
- Provide waste to the WTP contractor for processing.

The waste retrieval and feed delivery workscope will be projectized to assure required deliverables are met. Contractor shall establish the functions and requirements and install the equipment needed to reliably deliver the proper waste feed on schedule to the WTP contractor for Phase I waste treatment as defined in the WTP Contract.

The *Tank Waste Remediation System (TWRS) Environmental Impact Statement Record of Decision* calls for retrieval of wastes from all 149 SSTs, 28 DSTs, and MUSTs. Until all waste is retrieved, the DSTs must function to store and prepare waste retrieved from SSTs and MUSTs for waste treatment facilities while optimizing utilization of DST space.

(ii) Single Shell Tank Retrieval

Contractor shall develop methods, systems and requirements for retrieving wastes from the SSTs to the extent needed to close them in accordance with Resource Conservation and Recovery Act of 1976 (RCRA) and the *Atomic Energy Act of 1954*. SST retrieval methods and requirements shall support SST retrieval demonstrations.

Single shell tank retrieval demonstration objectives include developing technologies to retrieve salt cake, hard heel, and other wastes from SSTs; determining technology limitations, retrieval efficiencies, safety and environmental concerns, and cost impacts for SST retrieval systems; evaluating alternative retrieval technologies for SSTs that have leaked or may leak; and supporting the transition and closure of SSTs and tank farms.

(iii) DST Retrieval and Waste Feed Delivery

Contractor shall design, construct, install and test systems for retrieving wastes from the DSTs to meet the waste feed requirements of the WTP. The Contractor will also maintain these systems to be operational when required to deliver waste. This will require providing DST waste retrieval systems that can supply waste feed in composition sufficient to meet waste feed delivery in quantities and rates sufficient to support the WTP processing capacities. This shall also include providing tank characterization and waste samples to support WTP planning and testing requirements, as identified in the Baseline. Also included is support for the development of the RPP flowsheet and planning inclusive of all major process steps and/or systems including but not limited to: SSTs, DSTs, pre-treatment, immobilization, immobilized product storage and disposal, as identified in the Baseline. Development of the RPP flowsheet includes improving the quality of input data, developing flowsheet assumptions, identifying inputs and outputs at each step, and developing constraints/requirements at each step.

(3) Treat Waste - Support

(i) General Description

Contractor shall design, procure, construct and operate infrastructure sufficient to enable the WTP facilities to be constructed and operated in accordance with the WTP contract, and consistent with the Interface Control Documents for infrastructure activities. Infrastructure shall be designed and constructed to support the addition of infrastructure needed to increase the WTP operations capacities consistent with the expandability requirements of the Contract.

(4) Storage/Disposal

(i) General Description

The Contractor shall provide safe storage and final near-surface disposal whether onsite or offsite, for ILAW and failed or

decommissioned melters from the WTP. Safe interim storage for IHLW shall also be provided.

The ILAW Disposal Project shall be complete when all the ILAW is disposed, long-term surveillance and monitoring of the ILAW disposal site is ongoing, and interim storage facilities have been decontaminated and decommissioned. The ILAW Storage and Disposal facilities will receive accepted immobilized low activity tank waste from WTP contractor. The ILAW waste packages will be placed in near surface storage and disposal facilities. The near surface disposal systems along with the waste packages shall meet regulatory requirements for transportation and near-surface disposal of low-level waste.

The IHLW Interim Storage Facility will receive accepted IHLW, and transport these products to a Canister Storage Building (CSB), where the product will be stored until shipped to a geologic repository. Storage of the Phase I product in the CSB will consolidate the high level waste in one area and provide a safe, environmentally sound storage of the IHLW product. HLW Interim Storage will provide additional storage capacity during Phase II treatment. In addition HLW Interim Storage will provide loadout capability for shipment of IHLW canisters to a geologic repository.

(5) Close Facilities

(i) General Description

Contractor shall undertake facilities stabilization preparatory for the transition of such facilities for deactivation and decommissioning. Contractor shall develop closure plans in conformance with National Environmental Policy Act analysis developed to support tank closure and applicable RCRA requirements. The plans shall provide closure definition, system design, AB, work plans, approvals and other information necessary for closing the SSTs in accordance with the closure requirements of DOE Manual 435.1 and Tri-Party Agreement Milestones.

(6) Manage Projects

(i) General Description

Contractor shall establish and maintain necessary systems and organizational components necessary to execute the technical work scope set forth in this section of the Contract. This includes but is not limited to organizational components responsible for strategic analysis and integration; business management; contracts; compliance; finance and administration, consistent with the WBS descriptions in the DOE Mission Analysis Report.

Contract Summary By Section

The Contract is structured to follow the FAR Uniform Contract Format.

Section	Description
A	Award Form
B	Supplies or Services and Prices/Costs
C	Statement of Work
D	Packaging and Marking
E	Inspection and Acceptance
F	Deliveries or Performance
G	Contract Administration Data
H	Special Provisions
I	Contract Clauses
J	List of Documents, Exhibits, and Other Attachments

Project Measurement Tools

Section H (H.7), *Special Contract Requirements*, describes the management products and controls required during the Contract period as follows:

(a) In the performance of this Contract, the Contractor shall establish, maintain and use a project control system meeting the requirements specified in the Contract and below. The Contractor may use a pre-existing project control system if such system satisfactorily addresses the system requirements defined in the Contract and below.

(b) The project control system must meet the requirements of the following DOE guidance:

(1) DOE Order 430.1A, *Life-Cycle Asset Management (LCAM)*, October 14, 1998;
(2) *Integrated Planning, Accountability, and Budgeting System – Information Systems (IPABS-IS) Data Requirements*, (https://ipabs-is.em.doe.gov/ipabs/);
(3) *Integrated Planning, Accountability, and Budgeting System (IPABS) Handbook*, February 16, 1999;
(4) *Approval of Updated Office of River Protection Project Baseline Summary (PBS) Baseline Change Control Thresholds*, Office of Policy, Planning and Budget, Environmental Management, signed by Richard W. Brancata, dated February 20, 2001; and
(5) DOE Order 413.3, *Program and Project Management for the Acquisition of Capital Assets*.

(c) Work Authorization. Approval of this Contract provides authorization for the Contractor to perform, subject to other Contract requirements, the full scope of

work in the Contract. Any Contractor requested changes or DOE directed changes shall be addressed through the established Change Control process.

DOE ownership responsibilities for management actions resulting from the Contractor's project measurement and reporting tools are shown on Appendix A.

Fee Administration

The fee on the TFC Contract is primarily administered through the use of Performance Incentives (PIs). A PI is an individual agreement that lays out various performance requirements, and which is incorporated into the Contract at Section J, Appendix D. All of the Contractor's available fee pool (see Contract Section B, *Supplies or Services and Prices/Costs*) is allocated to PBIs. In addition, the TFC has the opportunity to earn Super Stretch fee for completing Super Stretch Performance Based Incentives (SSPBIs). Fee for Super Stretch performance is outside of the available fee pool. The following Tables, detailing the PIs and PBIs, are from Contract Section J, Appendix D:

Table D-1 (Revision 6)

Summary of FY2001 through FY2006, Effective FY2001 and FY2002 Only
(see Table D-2 for FY2003 – FY2006)
Performance Based Incentives

			(000)
Number	**Title**	**Percent of Available Fee Pool**	**Available Fee Pool**
ORP-01 R2	Project W-314	15.40%	
ORP-02 R1	Retrieval Systems (W-211 and W-521)	4.10%	
ORP-03	Store Immobilized High Level Waste (IHLW)	2.90%	
ORP-04	Dispose of Immobilized Low Activity Waste (ILAW)	5.50%	
ORP-05 R1	SST Interim Stabilization	8.00%	
ORP-06	Initial Waste Feed Delivery	5.70%	
ORP-07 R1	SST Retrieval - Tank C-104	9.60%	
ORP-08	Facility Stabilization	4.70%	
ORP-09 R1	Life Cycle Asset Management	6.40%	
ORP-10	DST Integrity Assessment Reports	3.40%	
ORP-11	242-A Evaporator Life Cycle Asset Management	1.30%	
ORP-12	Tank Characterization	1.80%	
ORP-13 R1	Tank Farm - Closure Support	6.40%	
ORP-14 R1	SST Retrieval - Tank S-102 (Note: includes SSPBI work, see below)	1.60%	
ORP-15 R1	Corporate Performance	14.70%	
ORP-16	WTP Interim Design and Transition	2.30%	
	Unallocated Fee (See Clause H.1)	6.20%	
	ORP-29 Performance Mgmt. Plan Implementation (FY 02 unallocated fee)		
	ORP-31 FFCA Stack Closure (partial FY 03 unallocated fee)		
	Total	100.00%	$ 106,100
	SuperStretch Performance Incentives (SSPBI)		
Number	**Title**		**Available Fee**
	The following SSPBIs are Negotiated and Approved:		
ORP2.1.3S R1	Advanced Preparation of 241-SY-101 for Retrieval and for Receiving and Staging		$ 1,355
ORP3.8.2S	Transfer Waste from 241-AW-104 to Evaporator Feed Tank		$ 760
ORP8.1.2S	Acceleration of Project W-519		$ 400
ORP-17 R3	FY2001 Deferred Work Scope		$ 1,072
ORP-19 R2	DST Caustic Addtion		$ 1,802
ORP-20	SST Retrieval Tank S-112		TBD
ORP-21	241-SY Primary Ventilation System Backup Exhauster		$ 201
ORP-23 R2	Accelerate W-525 Construction of the Tank Farm Infrastructure and Compliance Upgrades		$ 352
ORP-24 R2	Accelerate Saltcake Retrieval (U-107)		$ 704
ORP-25	Vadose Zone Acceleration in Support of SST Farm Closure		$ 199
ORP-26	Ready 241-AP-102 as an Available Receiver Tank		$ 147
ORP-27	Double-Shell Tank Integrity Project High Priority Caustic Additions, Video Inspections, and Ultra Sonic Testing Inspections		$ 167
ORP-28	Accelerated Tank Closure Demonstration		$ 954
ORP-31	FFCA Stack Closure		$ 275
	Total		$ 8,388
	The following SSPBIs are Pending Final Negotiation:		
ORP-14 R1	SST Retrieval - Tank S-102		TBD
ORP-18	Accelerate W-520 Construction of the ILAW Disposal Facility		TBD
ORP-22	Accelerate W-464 Construction of IHLW Storage Facility		TBD
ORP-23 R2	Accelerate W-525 Construction of the Tank Farm Infrastructure and Compliance Upgrades		TBD
	The following is a list of Potential SSPBI Areas		
	Remove Organic Layer from C-103		
	Remove SY-103 from Watch List		
	Accelerate SST Retrieval Crawler Development		
	C-106 Closure Evaluation		
	Accelerate SST Leak Detection Upgrade		
	Enhanced Interim Stabilization of Equipment		

Table D-2

Summary of FY2001 through FY2006
Performance Based Incentives

Number	Title	Available Fee
PBI-1	Store	$3,000,000
PBI-2	Waste Treatment Plant Production Support (Feed Delivery and Product Receipt)	$30,000,000
PBI-3	Single-Shell Tank (SST) Retrieval and Closure	$32,000,000
PBI-4	Supplemental Waste Treatment and Disposal	$7,000,000
	Subtotal	$72,000,000
ORP-01 – ORP-16, ORP-29	FY 2001 and FY 2002 PBIs, excluding SuperStretch Performance Based Incentives (SSPBI [see Table D-1])	$36,112,385
	Total	$108,112,385
	Acceleration Fee	
	Description	
PBI-3	Acceleration fee of $2M per tank closed (see PBI for description)	TBD
PBI-4	Acceleration fee of $800K for each 100,000 gallons of additional waste treated (see PBI for description)	TBD

ORP M 210.1, *Performance Based Contract Incentives (Performance Based Management Contracts)*, includes detailed requirements and steps to be followed in administration of the PBIs and SSPBIs. ORP M 210.1, discusses requirements and steps surrounding: (1) review of performance milestones; (2) communication and documentation of review results; (3) timing for completion of reviews; (4) re-allocation of fee among existing and new PBIs; and (5) basis and justification requirements for PBIs, etc. The attached Appendix C outlines the PBI associated to each Milestone, and the values associated with each.

The COR is responsible for ensuring that “Performance Expectation Completion Notices,” are adjudicated within the 45 days of receipt from the Contractor per Contract Section H (H.2).

Additional guidance regarding final fee determination is found in Section H (H.1 and H.2), and Section I (I.109), *Contract Clauses*.

Acceleration PBIs or Acceleration Fee (previously referred to as Superstretch) earning milestones within a PBI may be established to challenge the Contractor to accomplish significant and mission critical work activities beyond the work currently funded or which significantly accelerate workscope. Acceleration PBIs will be agreed upon prior to commencement of work and incorporated into the contract in Section J, Appendix D.

The funds for accomplishing an Acceleration PBI or acceleration fee earning milestone in a PBI will be obtained from cost savings realized through efficiencies and/or workscope deletions and not deferrals. The CO shall approve workscope deletions. Prior to initiation of the acceleration fee bearing workscope the Contractor shall provide a notice to DOE that includes an affirmative statement that the acceleration workscope will be performed from cost savings.

The fee for completion of the Acceleration PBI or Acceleration fee milestone in a PBI, will be paid from cost savings and will be outside the fee pool identified in Section B (B.3). The fee payments for completion of Acceleration PBIs or Acceleration fee milestones will be separate from and not subject to or impact the provisional payment of fee limitations described in Section H (H.2).

Under Section I (I.111), the ORP Manager may unilaterally reduce earned fees for failure to meet minimum requirements of the ES&H safety management systems. This unilateral right also extends to a catastrophic event, failures to comply with the statement of work, or cost performance failures.

Fee Re-Allocation

The Contract includes a provision, which allows the Government to re-allocate the fee among the PBIs or to new PBIs (Section H [H.1.d]).

Invoicing

Typically, the invoice review process requires that an individual be designated for each WBS covered by the Contract. The COR should provide this designation to Kevin Ensign, Director, Office of Project Administration (OPA). The names and corresponding WBSs will be substituted for those presently included in the Hanford Data Integrator system, and monthly invoice certification will be possible. An approving official for this purpose does not have to be a COR. The receipt of property or services, approval of Contractor invoices, and routine interface with Contractors to resolve questions about invoices are inherent government functions and do not require the personnel performing them to be designated as CORs.

Deliverables and Deliverable Reviews

Appendix A to this CMP is a compilation of the various deliverables required during Contract performance. Separate deliverable review plans will be developed for each deliverable as necessary. AM review responsibilities are also provided in Appendix A to this Plan.

Other Contract Management Responsibilities

Other Contract Management and Administration Actions and associated AM responsibilities for each, are provided in Appendix B to this Plan.

Attachments:

Appendix A – Contractor Deliverables/Requirements and DOE Contract Management Actions.
Appendix B – FAR/DEAR DOE Contract Management and Administration Actions.
Appendix C – Provisional Payment of Fee Methodology/Criteria.